

Message Text

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PAGE 01 STATE 011475
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 /021 R

66011

DRAFTED BY:EB:OCA:CD:WERAU

APPROVED BY:EB:OCA:CD:WERAU

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R 162130Z JAN 78

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

UNCLAS STATE 011475

RTDO FOR KINNEAR

FOLLOWING TELEGRAM FROM SANA DATED JANUARY 11,
1978 SENT SECSTATE WASHDC INFO JIDDA, USDOC WASHDC
IS REPEATED TO YOU: QUOTE

UNCLAS SANA 0181

E.O. 11652: N/A

TAGS: ELTN, YE

SUBJECT: ROADS IN YEMEN

REFERENCE: SANA 058

BEGIN SUMMARY: YEMENIS EXPECT TO CONTRACT FOR 300
MILLION DOLLARS WORTH OF ROADS WITHIN NEXT 3 TO 4 MONTHS.
END SUMMARY.

1. MINISTER OF PUBLIC WORKS, ABDALLAH KHURSHUMI, TOLD
AMBASSADOR AND DCM ON 10 JANUARY THAT FEASIBILITY
STUDIES ARE IN HAND ALONG WITH FINANCING FOR THREE OTHER
MAJOR ROAD PROJECHS IN ADDITION TO TWO WHICH DISCUSSED
REFTEL. KHURSHUMI EXPECTS TO TENDER FOR THESE ROADS IN
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PAGE 02 STATE 011475

NEXT 3 TO 4
MONTHS. AS THEIR TOTAL LENGTH IS ABOUT 750
KILOMETERS, COST MAY BE AS MUCH AS 1.4 BILLION RIYALS
OR A LITTLE MORE THAN 300 MILLION DOLLARS.

2. FIRST ROAD IS HUTH TO HARADH, 125 KILOMETERS FROM
NORTHEAST HIGHLANDS SOUTH TO SAADA DOWN TO TIHAMA.

STUDIES HAVE BEEN DONE BY SWEDISH CONSULTING FIRM NAMED SWECO AND PROJECT WILL BE ADVERTISED BY FEBRUARY. SAUDI FUND IS FINANCIER.

3. SECOND ROAD IS YARIM, DAMTH, QATABA. THIS ROAD LEADS OFF TAIZ-SANA MAIL LINE AND OPENS UP ANOTHER POPULOUS PART OF SOUTHEAST OF YEMEN, ENDING AT PDRY BORDER. LENGTH IS 200 KILOMETERS. DAR AL-HANDASAH IS CONSULTING FIRM AND SAUDI FUND WILL FINANCE. TENDERING EXPECTED BY SPRING.

4. THIRD ROAD IS SANA, JIHANAH, MARIB. ABU DHABI AND SAUDIS ARE SPLITTING COST OF THIS 170 KILOMETER ROAD WHICH WILL BE TENDERED BY END OF FEBRUARY.

5. RE SAUDI-FINANCED ROADS FROM NORTH, DESCRIBED IN REFTEL, KHURSHUMI SAID THAT WILSON-MURROW WAS "PREFERRED COMPANY" FOR CONSULTING ENGINEERS. HE HOPED THEY ARE INTERESTED SINCE SAUDIS HAD OLD HIM, APPARENTLY, THAT WILSON-MURROW WAS "TOO BUSY." AMBASSADOR SAID OUR INFORMATION IS THAT WILSON-MURROW IS "VERY INTERESTED."

6. KHURSHUMI SAID THAT WHILE ALL CONTRACTS WOULD BE LET ON BASIS OPEN INTERNATIONAL TENDER, THERE WOULD BE PREQUALIFICATION OF BIDDERS. COMPANIES WHO ARE INTERESTED IN THIS JOB SHOULD COME TO YEMEN AND UNCLASSIFIED

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PAGE 03 STATE 011475

REGISTER. IF SUPPLIED WITH APPROPRIATE INFORMATION, WE CAN PROBABLY REGISTER COMPANIES.

7. KHURSHUMI ALSO SAID THAT J.A. JONES, SOUTH CAROLINA CONSTRUCTION FIRM WITH LARGE ACTIVITIES IN SAUDI ARABIA, HAD THAT MORNING TELEPHONED HIM WITH 4 MILLION DOLLAR COMMITMENT OF JOINT VENTURE. JONES WILL INCORPORATE LOCALLY WITH EXISTING YEMEN HIGHWAY AUTHORITY AND BID ON ALL UP-COMING YEMEN TENDERS. AS JOINT VENTURE YARG WILL GIVE THE NEW COMPANY PREFERENCE OF UP TO 10 PERCENT IN BID PRICE. JONES PRESIDENT IS PRESUMABLY COMING TO YEMEN TO FINALIZE AGREEMENT ON 18 JANUARY.

COMMENT: AS JOINT VENTURE BY JONES IS EFFORT WHICH EMBASSY HELPED TO BRING ABOUT, WE ARE DELIGHTED, BUT STILL SEE GOOD PROSPECT FOR OTHER AMERICAN COMPANIES TO BID ON LARGE NUMBER OF HIGHWAY PROJECTS WHICH COMING UP IN NEAR TERM. HOPE JIDDA WILL CIRCULARIZE U.S. COMPANIES RE OPPORTUNITIES KHURSHUMI IS PERSUADED THAT AMERICAN COMPANIES ARE THE BEST. AMBASSADOR REMINDED HIM THAT EARLIER MARIB ROAD

CONTRACT HAD BEEN LET TO INEXPERIENCED KUWAITI
COMPANY OVER AMERICAN GROUP WHICH SHOULD HAVE
GOT THE JOB. NOW, AFTER 18 MONTHS, KUWAITIS
10 MONTHS BEHIND. KHURSHUMI AGREED SADLY. HE IS
GRADUATE OF U.S. BUREAU OF PUBLIC ROADS PROGRAM
HERE IN YEMEN.
SCOTES UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONTRACTS, HIGHWAYS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE011475
Document Source: CORE
Document Unique ID: 00
Drafter: EB:OCA:CD:WERAU
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780024-0574
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780158/aaaabxez.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 188963e3-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 SANA 58
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3766976
Secure: OPEN
Status: NATIVE
Subject: ROADS IN YEMEN
TAGS: ELTN, YE
To: ATHENS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/188963e3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014